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THE PRICES OF PREFERRED AND COMMON STOCKS: 1890-1909

Preferred shares were excluded from the index number of American stocks presented in the May issue of this *Journal* on the ground that they are hybrids—a cross between common stocks and bonds. Preferred shareholders have a legal claim to dividends at a certain rate before the common shareholders are allowed any return. Often this prior right is cumulative—any deficiency in the preferred dividend for earlier years must be made good from later profits before dividends can be declared on the common stock. On the other hand, all of the dividends which remain after the preferred shareholders have received their allotted rate usually go to the common shareholders, so that the latter may receive a larger dividend than the former. Further, the right of voting for directors, and hence the control of the corporation, is frequently vested in the common shareholders alone. These differences between the two kinds of stock give rise to differences in their price fluctuations. It is, therefore, desirable to keep the two kinds separate in an index number of stocks. But it is also desirable to determine the differentiating characteristics of the two sets of fluctuations, and to measure as nearly as may be the varying margin between them.

Such an investigation is best based upon the prices of preferred and common shares in the same corporations; for if preferred shares are taken in one set of companies and common

shares in another set, the results reflect differences in the financial fortunes of the two sets of companies as well as differences in the business calculations affecting the two types of stock. I have, therefore, selected from transportation companies whose common stocks were included in the May article those which have preferred shares quoted regularly since 1890. Ten of the forty companies answered this description. Their names are given in Table I. All of the groups into which the railways were divided in the May article are represented here, save the coal roads. But there is only one representative each for the Atlantic and Pacific groups, two for the southern, and three each for the middle-western and northwestern groups.

TABLE I

LIST OF PREFERRED AND COMMON STOCKS INCLUDED IN THE FOLLOWING TABLES, AND THEIR AVERAGE ACTUAL PRICES, 1890-99

	AVERAGE PRICES, 1890-99		VALUE OF PREFERRED COMPARED WITH COMMON
	Preferred Stock	Common Stock	
Chicago, Milwaukee & St. Paul	\$130.00	\$ 79.20	164%
Chicago & Northwestern.....	152.50	114.60	133
Cleveland, Cincinnati, Chicago & St. Louis.....	89.10	47.90	186
Denver & Rio Grande.....	48.80	14.90	327
Erie.....	41.80	17.50	239
Iowa Central.....	32.30	9.20	351
Lake Erie & Western.....	69.50	18.30	380
Missouri, Kansas & Texas.....	28.14	13.10	215
Norfolk & Western.....	38.30	12.10	317
Wabash.....	20.10	8.70	231

As before, the data have been taken from the *Financial Review*, and consist of 24 quotations for each stock each year—that is, the highest and lowest prices recorded for each month. These actual prices have been cast into the form of relative prices on the basis: average actual prices in 1890-99=100. Tables II, III, and IV give the arithmetic means of these relative prices by years, quarters, and months respectively.¹ The “low”

¹ The transcriptions and computations were made by members of a class in statistics in the University of California, and verified by Mr. and Mrs. Otto Tinnemann. The minor discrepancies between the figures for months and quarters, or quarters and years, are due either to the dropping of fractions, or to the occasional lack of a quotation for some one month.

and "high" relative prices, of course, are not the extreme quotations for any one stock, but averages of the lowest and highest relative prices of all the stocks. In Tables II and III these figures are based, not on the extreme quotations for any one month, but on the average of the highest or lowest quotations for all the months in the year or quarter.

TABLE II

RELATIVE PRICES OF PREFERRED AND COMMON STOCKS IN 10 RAILWAYS: BY YEARS,
1890-1909

Average Prices 1890-99 = 100. Arithmetic Means

	LOW		HIGH		SPREAD		AVERAGE	
	Preferred	Common	Preferred	Common	Preferred	Common	Preferred	Common
1890.....	104	106	113	120	9	14	108	113
1891.....	99	105	109	120	10	15	104	113
1892.....	111	118	119	129	8	11	115	124
1893.....	81	82	92	96	11	14	87	89
1894.....	79	77	85	87	6	10	82	82
1895.....	83	80	92	94	9	14	87	87
1896.....	81	76	89	86	8	10	85	81
1897.....	90	84	98	95	8	11	94	90
1898.....	103	91	112	102	9	11	107	97
1899.....	125	118	135	134	10	16	130	126
1900.....	128	134	138	154	10	20	133	144
1901.....	160	242	186	283	17	41	178	262
1902.....	186	290	196	320	10	30	191	305
1903.....	157	223	169	253	12	30	163	238
1904.....	152	203	161	226	9	23	156	215
1905.....	177	266	185	291	8	25	181	278
1906.....	175	277	185	306	10	29	180	291
1907.....	133	192	143	220	10	28	138	206
1908.....	125	182	136	208	11	26	130	195
1909.....	164	267	174	293	10	26	169	280

Caution should be observed in using these tables for purposes other than that for which they have been made—to compare the fluctuations in the relative prices of the two types of stock. As an index of the trend of the stockmarket, the present figures are less trustworthy than the figures published in May, because based on a smaller list of stocks. Table V shows that the relative prices of common stocks in the 10 companies included in Tables II, III, and IV differ materially from the corresponding figures for 40 common stocks. In particular, the 10 stocks have a much higher relative price in 1901 and 1902 than have the 40; and, unlike the latter, their maximum of 1902 is not equaled in 1906 or

TABLE III

RELATIVE PRICES OF PREFERRED AND COMMON STOCKS IN 10 RAILWAYS: BY
QUARTERS, 1890-1909

Average Prices 1890-99 = 100. Arithmetic Means

	1ST QUARTER		2D QUARTER		3D QUARTER		4TH QUARTER	
	Low	High	Low	High	Low	High	Low	High
1890 Preferred..	106	112	111	120	109	116	91	102
Common..	111	122	116	128	118	128	91	109
1891 Preferred..	96	102	97	107	97	110	107	117
Common..	97	106	99	113	102	123	122	139
1892 Preferred..	118	128	113	119	109	115	104	111
Common..	128	143	120	129	114	123	111	121
1893 Preferred..	100	108	86	96	65	79	76	85
Common..	103	116	87	100	64	82	78	90
1894 Preferred..	78	85	81	88	80	87	78	83
Common..	76	86	80	90	77	89	76	85
1895 Preferred..	72	78	84	93	93	101	83	96
Common..	68	77	82	97	92	104	79	95
1896 Preferred..	83	91	86	92	72	82	82	90
Common..	78	88	77	86	67	78	81	92
1897 Preferred..	83	90	80	87	96	108	97	107
Common..	81	88	73	81	91	107	92	102
1898 Preferred..	99	110	98	106	107	115	107	118
Common..	88	99	86	95	96	105	95	109
1899 Preferred..	123	133	122	131	130	139	126	138
Common..	115	131	116	130	123	138	119	136
1900 Preferred..	127	136	129	139	124	130	131	146
Common..	122	140	135	154	132	143	148	180
1901 Preferred..	158	174	170	192	173	190	178	188
Common..	202	239	244	298	251	296	271	298
1902 Preferred..	183	191	188	197	193	203	179	192
Common..	280	303	290	314	309	343	279	319
1903 Preferred..	182	191	165	177	140	157	142	150
Common..	284	312	234	268	185	228	187	205
1904 Preferred..	145	153	142	150	150	159	168	181
Common..	186	208	183	196	200	223	243	279
1905 Preferred..	179	188	173	182	178	185	178	185
Common..	271	295	247	281	270	290	276	298
1906 Preferred..	181	191	172	185	174	182	172	180
Common..	287	321	205	300	277	300	278	304
1907 Preferred..	148	161	138	146	132	141	112	123
Common..	231	270	201	222	201	224	147	175
1908 Preferred..	113	126	118	131	129	137	142	156
Common..	146	171	171	196	192	211	220	253
1909 Preferred..	157	169	165	174	168	177	166	174
Common..	249	280	270	294	274	296	274	301

TABLE IV

RELATIVE PRICES OF PREFERRED AND COMMON STOCKS IN 10 RAILWAYS: BY MONTHS, 1890-1909

Average Prices 1890-99 = 100. Arithmetic Means

	1890				1891				1892			
	PREFERRED		COMMON		PREFERRED		COMMON		PREFERRED		COMMON	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Jan.....	110	117	118	127	95	103	97	110	117	129	129	148
Feb.	108	116	108	122	99	103	101	107	119	129	128	141
March ...	105	110	108	117	94	99	92	100	120	127	127	139
April.....	106	117	108	123	97	109	97	115	116	122	126	135
May.....	115	123	129	144	98	109	102	115	112	119	119	129
June.....	109	114	128	138	94	103	97	108	110	117	114	123
July.....	112	116	125	130	91	100	95	102	110	117	114	125
Aug.....	108	116	115	127	92	110	94	125	112	117	118	128
Sept.....	107	115	113	126	108	120	118	141	105	112	109	118
Oct.....	100	108	103	116	109	117	127	141	107	114	113	124
Nov.....	86	101	84	110	103	112	116	130	104	113	112	123
Dec.....	87	97	86	101	108	123	124	145	102	108	107	115
1893				1894				1895				
Jan.....	103	113	109	121	75	83	75	86	73	80	68	77
Feb.....	101	109	103	119	78	83	80	85	72	77	67	76
March ...	96	103	98	109	82	89	79	92	71	79	68	78
April.....	98	104	99	109	86	92	85	96	78	88	75	89
May.....	83	95	84	100	80	88	79	89	85	95	83	103
June.....	77	88	78	90	74	83	75	84	89	98	88	99
July.....	59	80	58	84	80	84	73	79	93	98	91	101
Aug.....	64	75	65	78	78	89	75	94	93	102	93	104
Sept.....	73	81	71	85	84	88	84	93	93	103	93	107
Oct.....	73	83	76	91	77	82	77	85	92	101	91	101
Nov.....	78	85	81	90	79	84	76	88	86	94	84	94
Dec.....	76	87	76	90	77	80	73	81	73	92	62	91
1896				1897				1898				
Jan.....	76	86	73	84	85	89	82	90	102	110	93	102
Feb.....	85	93	83	91	85	90	80	84	101	114	90	103
March ...	86	94	77	87	81	91	79	89	93	106	81	93
April.....	88	94	78	87	78	83	71	80	93	99	79	87
May.....	85	92	77	83	82	87	73	78	98	108	88	97
June.....	84	91	77	88	83	93	77	87	104	112	93	101
July.....	72	86	65	80	88	97	81	92	105	110	94	97
Aug.....	69	77	63	73	97	110	92	112	107	119	97	112
Sept.....	76	84	72	81	105	117	99	119	109	118	97	107
Oct.....	78	86	75	86	99	110	95	107	102	111	89	99
Nov.....	87	95	85	99	93	103	86	99	106	117	94	106
Dec.....	82	90	81	90	100	106	94	101	113	127	101	122

TABLE IV—*Continued*

	1899				1900				1901			
	PREFERRED		COMMON		PREFERRED		COMMON		PREFERRED		COMMON	
	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Jan.	121	133	110	131	124	132	118	129	152	167	186	219
Feb.	124	134	119	133	128	135	121	136	159	172	202	232
March ...	123	131	117	129	129	141	128	154	162	184	218	268
April	125	134	118	134	134	144	139	162	174	190	248	290
May	119	130	115	128	130	137	135	151	154	190	215	300
June	121	130	114	127	123	134	130	148	181	195	269	304
July	127	135	121	132	126	130	132	143	170	193	241	293
Aug.	131	142	124	142	125	130	133	144	173	187	250	292
Sept.	132	141	125	139	121	130	131	143	175	189	261	304
Oct.	130	138	121	136	124	134	136	155	175	186	265	295
Nov.	133	140	127	138	130	144	148	173	181	190	283	303
Dec.	116	137	107	135	140	160	162	214	179	188	266	294
1902				1903				1904				
Jan.	180	189	273	298	184	191	295	320	152	160	195	216
Feb.	184	193	280	306	183	194	292	315	142	152	182	206
March ...	185	192	288	304	181	192	265	299	144	153	182	203
April	187	198	291	318	172	186	252	278	149	155	190	203
May	192	202	287	311	167	179	244	276	144	151	182	192
June	196	205	294	313	162	175	207	250	139	148	176	191
July	193	202	299	327	144	165	195	241	151	160	187	203
Aug.	199	208	316	346	143	161	181	227	150	163	195	226
Sept.	192	206	312	356	141	156	181	215	158	166	219	241
Oct.	185	198	298	337	136	147	180	203	162	176	234	266
Nov.	182	194	279	317	142	151	184	199	170	183	249	286
Dec.	177	192	258	304	149	155	197	213	173	183	247	285
1905				1906				1907				
Jan.	176	186	261	288	182	192	290	333	165	178	252	288
Feb.	181	189	274	294	181	191	286	323	160	168	244	269
March ...	182	190	278	302	181	190	284	306	136	159	199	252
April	175	187	256	298	173	188	269	307	139	150	211	230
May	170	178	242	271	171	182	260	296	138	147	196	223
June	173	182	244	272	178	190	266	298	150	156	205	222
July	179	185	263	277	175	183	261	287	146	153	215	234
Aug.	183	194	270	297	168	179	282	308	140	155	191	225
Sept.	181	187	277	296	174	180	287	304	119	127	197	213
Oct.	184	191	276	295	180	188	279	303	117	135	147	192
Nov.	177	184	272	296	180	188	278	305	112	123	143	162
Dec.	184	192	277	304	168	179	276	305	120	127	152	171

TABLE IV—*Concluded*

	1908				1909			
	PREFERRED		COMMON		PREFERRED		COMMON	
	Low	High	Low	High	Low	High	Low	High
Jan.....	120	129	155	178	158	171	254	284
Feb.....	95	110	140	164	149	163	243	282
March.....	110	131	143	173	157	166	251	273
April.....	115	124	161	181	168	177	266	292
May.....	109	129	175	208	165	172	272	292
June.....	121	130	190	211	167	179	271	298
July.....	128	139	195	221	170	176	276	294
Aug.....	132	138	198	211	175	187	276	303
Sept.....	130	138	192	214	164	175	271	292
Oct.....	134	143	200	223	169	180	287	316
Nov.....	141	157	216	260	174	183	273	294
Dec.....	151	170	244	275	167	177	279	312

TABLE V

RELATIVE PRICES OF COMMON STOCKS IN 40 TRANSPORTATION COMPANIES AND IN THE 10 RAILWAYS LISTED IN TABLE I: BY YEARS, 1890-1909
Average Prices 1890-99 = 100. Arithmetic Means

	40 Transportation Companies	10 Railways		40 Transportation Companies	10 Railways
1890.....	121	113	1900.....	134	144
1891.....	113	113	1901.....	211	262
1892.....	123	124	1902.....	250	305
1893.....	93	89	1903.....	201	238
1894.....	82	82	1904.....	192	215
1895.....	85	87	1905.....	250	278
1896.....	77	81	1906.....	207	291
1897.....	84	90	1907.....	204	206
1898.....	94	97	1908.....	201	195
1899.....	128	126	1909.....	277	280

1909. But these divergences from the larger index number do not invalidate the accompanying comparison between the courses of common and preferred stocks.

It should also be borne in mind that the actual prices of the preferred shares rule higher than the actual prices of the common shares. Table I, which gives the average actual prices of the decade 1890-99, shows the preferred stocks selling for almost precisely $2\frac{1}{2}$ times the prices of the common. Owing to the more rapid rise of common stocks after 1900, this difference has

been reduced; but the Norfolk & Western is the only road in the list whose common shares stood higher than the preferred in 1909. This exception to the rule is due to a higher dividend on the common stock—4½ per cent., against 4 per cent. on preferred. At no time in the twenty years covered by the table have the common shares in the 10 railways had average actual prices even approximately equal to the prices of preferred shares. The higher *relative* prices of the common stocks in many years, of course, are not inconsistent with these lower actual prices.

The general trend of fluctuation in the relative prices of the two types of stock has been similar. In Table II, which gives annual averages, there are but two instances in which the changes from one year to the next have not been in the same direction for preferred and for common stock. Between 1890 and 1891 the preferred stocks fell slightly, while the common stocks showed no change; between 1905 and 1906 the preferred stocks fell one point, while the common rose 13 points. In every other case the types rose or fell together.

There are, however, notable differences of degree between the two sets of fluctuations. For the first 11 years, indeed, the relative prices keep rather close together. The maximum difference occurs in 1900 and is 11 points. But even during these years of close agreement preferred shares exhibit their characteristic greater stability in price. Common stocks start higher, fall lower, and again rise higher than preferred. Further, the "spread" between the annual averages of the lowest and highest monthly prices is always greater for common stocks.

These differences in degree of rise and fall became much wider with the great stockmarket "boom" which began in October, 1900. Since 1901 the average relative prices of the common stocks have exceeded the figures for preferred by margins never less than 59 points and in three years running beyond 100 points. That is, the preferred stocks were much less affected by the "boom" than common stocks. They rose, indeed, and rose at a rate rapid in comparison, for example, with the advance in wholesale commodity prices; but common stocks rose more rapidly still. The greater stability of preferred stocks, therefore,

stands out more clearly in the last 9 years of the table than in the first 11 years.

The reasons for this greater stability are found in the differences between the rights of preferred and common shareholders pointed out in the first paragraph. From the investor's standpoint, the prior right to dividends, often coupled with a limitation upon the maximum dividend, promises a more regular return upon purchases of preferred than upon purchases of common stock. On the other hand, common stock is the speculator's favorite, precisely because it promises wider oscillations in price, so that speculative operations doubtless enhance the differences in variableness which investment dealing would establish. Finally, contests for control usually center upon common stock, either because it alone carries voting privileges, or because it is cheaper.

Table VI, which gives the dividend record of our 10 stocks, shows that the returns upon preferred shares have, in fact, been more regular than the returns upon common shares—except, of course, when no dividends at all have been paid upon the latter.²

It is less easy to explain why common stocks advanced so much more than preferred stocks between 1900 and 1901, and why they have since retained most of the lead thus gained. But Table VI shows that the roads already paying the fixed rate of dividends on their preferred stocks in 1900 soon thereafter became able to begin or to increase the dividends on their common stocks. And Table VII, compiled from the statistical reports of the Interstate Commerce Commission, indicates that this course was the rule. Until the year ending June 30, 1901, the increase in dividends on preferred stocks had been relatively more rapid; thereafter the dividends on preferred stocks were approximately stable, while dividends on common stocks were more than doubled between 1901 and 1907. The more rapid rise of common stocks was favored also by the improvement in the physical condition of the properties, the higher earnings, the

² The data have been taken from the "Investor's Supplement" appended to the annual issues of the *Financial Review*, and checked by *Moody's Manual*. The few discrepancies between these two sources have been settled by reference to the railway reports published in the *Commercial and Financial Chronicle*.

TABLE VI

DIVIDENDS UPON PREFERRED AND COMMON STOCK DECLARED BY THE TEN RAILWAYS
LISTED IN TABLE I: BY YEARS, 1890-1909

	C.M. & ST.P.		C. & N.W.		C.C.C. & ST.L.		D. & R.G.		ERIE	
	Pfd.	Com.	Pfd.	Com.	Pfd.	Com.	Pfd.	Com.	Pfd.	Com.
1890.....	7	0	7	6	5	4	2.75	0	0	0
1891.....	7	0	7	6	5	3	2.50	0	0	0
1892.....	7	2	7	6	5	3	0	0	3	0
1893.....	7	4	7	6	5	3	2	0	0	0
1894.....	7	4	7	5.5	5	0	0	0	0	0
1895.....	7	2	7	4	5	0	0	0	0	0
1896.....	7	4	7	5	5	0	2	0	0	0
1897.....	7	5	7	5	2.50	0	2	0	0	0
1898.....	7	5	7	5	5	0	2.50	0	0	0
1899.....	7	5	7	5	5	0	4	0	0	0
1900.....	7	5	7	6	5	3	4	0	0	0
1901.....	7	6	7	6	5	3.50	5	0	1.50	0
1902.....	7	7	8	7	5	4	5	0	3	0
1903.....	7	7	8	7	5	4	5	0	3.50	0
1904.....	7	7	8	7	5	4	5	0	4	0
1905.....	7	7	8	7	5	4	5	0	4	0
1906.....	7	7	8	7	5	4	5	0	4	0
1907.....	7	7	8	7	5	4	5	0	2	0
1908.....	7	7	8	7	5	1	5	0	0	0
1909.....	7	7	8	7	5	0	5	0	0	0

	IOWA CENTRAL		L.E. & W.		M.K. & T.		N. & W.		WABASH	
	Pfd.	Com.	Pfd.	Com.	Pfd.	Com.	Pfd.	Com.	Pfd.	Com.
1890.....	0	0	4	0	0	0	3	0	0	0
1891.....	0	0	4	0	0	0	3	0	0	0
1892.....	1	0	4.75	0	0	0	1.50*	0	0	0
1893.....	0	0	5	0	0	0	0	0	0	0
1894.....	0	0	5	0	0	0	0	0	0	0
1895.....	0	0	5	0	0	0	0	0	0	0
1896.....	0	0	5	0	0	0	0	0	0	0
1897.....	0	0	5	0	0	0	1	0	0	0
1898.....	0	0	3.75	0	0	0	3	0	0	0
1899.....	3	0	0	0	0	0	4	0	0	0
1900.....	1.50	0	2	0	0	0	4	0	0	0
1901.....	0	0	4	0	0	0	4	2	0	0
1902.....	0	0	4	0	0	0	4	2.50	0	0
1903.....	0	0	4	0	0	0	4	3	0	0
1904.....	0	0	3	0	0	0	4	3	0	0
1905.....	0	0	3	0	0	0	4	3.50	0	0
1906.....	0	0	3	0	4	0	4	4.50	0	0
1907.....	0	0	3	0	4	0	4	5	0	0
1908.....	0	0	1	0	4	0	4	4	0	0
1909.....	0	0	0	0	4	0	4	4.50	0	0

* Plus 1 per cent. in scrip.

livelier speculative interest, and the establishment of communities of interest and purchases for control. These latter factors, not susceptible of statistical measurement, seem to have been more potent than investment considerations. For, purely on an investment basis, Table VI would not justify Northwestern common, for example, in rising between 1900 and 1902 from \$162 to \$234, while Northwestern preferred was rising from \$201 to \$254.

TABLE VII
DIVIDENDS UPON PREFERRED AND COMMON STOCKS PAID BY INTERSTATE RAILWAYS:
BY YEARS ENDING JUNE 30, 1891-1907

YEARS ENDING JUNE 30	ACTUAL DIVIDENDS		RELATIVE DIVIDENDS *	
	Preferred Stock	Common Stock	Preferred Stock	Common Stock
1891.....	\$16.4 millions	\$74.8 millions	82	94
1892.....	17.9	79.7	90	101
1893.....	17.3	83.7	87	106
1894.....	14.0	81.5	70	103
1895.....	13.9	71.4	70	90
1896.....	16.2	71.4	81	90
1897.....	15.8	71.3	79	90
1898.....	21.5	74.7	108	94
1899.....	31.1	79.9	156	101
1900.....	35.2	104.4	177	132
1901.....	41.7	115.0	209	145
1902.....	44.0	141.4	221	178
1903.....	44.5	152.2	223	192
1904.....	46.2	175.7	232	222
1905.....	49.1	188.9	246	238
1906.....	51.6	221.2	259	279
1907.....	49.7	258.4	249	326

* Average actual dividends, 1891-1900=100.

The tables which give relative prices by quarters and by months show the same facts in greater detail. The "spread" between the highest and lowest quotations for a month is almost always less for preferred than for common stocks, and the fluctuations from one month to the next are more moderate in the case of preferred. The great panics of 1893 and 1907, also, depressed the prices of preferred stocks relatively less, as the great speculative campaigns for the rise elevated them less. But the figures tell their own story with sufficient clearness.

In conclusion, it may not be amiss to show what effect is produced by putting preferred and common shares together in

the same index number. Table VIII gives first the index number of 40 common stocks as published in the May issue of this *Journal*; second the index number of 10 preferred stocks from Table II; and third an index number of the two sets in combination. The composite series shows a slightly smaller

TABLE VIII

RELATIVE PRICES OF 40 COMMON STOCKS AND OF 10 PREFERRED STOCKS IN TRANSPORTATION COMPANIES: BY YEARS, 1890-1909

Average Actual Prices 1890-99 = 100. Arithmetic Means

	40 Common Stocks	10 Preferred Stocks	50 Common and Preferred Stocks
1890.....	121	108	118
1891.....	113	104	111
1892.....	123	115	121
1893.....	93	87	92
1894.....	82	82	82
1895.....	85	87	86
1896.....	77	85	79
1897.....	84	94	86
1898.....	94	107	97
1899.....	128	130	129
1900.....	134	133	134
1901.....	211	178	204
1902.....	250	191	238
1903.....	201	163	193
1904.....	192	156	185
1905.....	250	181	236
1906.....	267	180	250
1907.....	204	138	191
1908.....	201	130	187
1909.....	277	169	255

fall from 1890 to 1896, and a decidedly smaller rise after 1900. Despite the larger number of securities entering into the composite series, it is less significant than the index number for 40 common stocks, not only because of the mixing of two types which the preceding tables show to be different in important respects, but also because of the double weighting of the ten railways for which both kinds of stock are included.

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